

Making projects under the new situation of Libya

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Abstract: The situation in Libya is unique. After more than 40 years of dictatorship and after a revolution [1], now as a free nation and with considerable oil-based resources, it is time to rebuild the country. The main challenge is where and how to start. In this paper we identify the reality that companies are facing and also some recommendations regarding project management (PM) practices.

1. Introduction

The current situation in Libya is very special. Having lived more than 40 years under a dictatorship regime and having faced a revolution, during the past events which were part of the phenomenon called “Arab Spring” [2], now Libya’s people want the country to be rebuilt.

The current situation is quite complex. For instance, there were a lot of projects under way when the revolution happened. Now, a lot of stopped projects can be seen in Tripoli, like a 5 star hotel with a shopping center, or some structures for airway access. And of course, there is still a lot of debris on the streets, demanding soon action.

Libya is a major oil producer, which means that money for projects will be available and is not part of the problem. The country’s gross domestic product per capita, at current prices, is about USD 12,000, and its population is estimated in 6.6 MM inhabitants [3]. A curiosity: Petrol is cheaper than bottled water.

2. Current Situation of Project Management

In terms of PM, there are some state-owned companies which have considerable resources to undertake projects, such as companies related to the ministries of oil & gas, electricity, housing, and transport.

The maturity of these companies in terms of PM is normally low. This means people assigned to projects are often technically strong, considered expert in the engineering areas. Lack of PM practices is one of the common elements identified.

Another common point observed has to do with the owner-contractor approach. It is common to undertake turnkey projects, in which the contractor is supposed to deliver everything, with the solution designed, constructed and installed. But the reality shows that the results are not as expected in terms of time, cost, or quality. Consultancy in PM has a lot to do here.

3. Addressing the situation

There is so much to do, that to solve the high current demands of projects is urgent. To have a reasonable approach for the companies is required. The situations in the visited companies have some things in common:

- Rather low maturity regarding PM capabilities (between levels 1 and 2) [4]

- A lot of turnkey projects
- A high interest in improving project performance
- Not fully implemented Project Management Offices (PMO)
- Lack of training in PM

The situation is such that companies are demanding to undertake lots of projects, but with a low maturity in PM. They have money and too many things to do, therefore, invest time in getting the knowledge and expertise in PM is not an option. They will hire all the required services, including PM.

But this takes us to the point in which not everything can be hired. The company has to know how to control projects and how to act as a client. But even the client, in a turnkey project, should play his role regarding PM. We will try to find approaches in this sense. PMBOK, for instance, does not have exactly this approach [5]. According to PMBOK, either you do your project internally in the organization, or you have a contract which originates a project but in this case the complete PM function is transferred to the contractor, who will undertake the project and deliver the project outcomes. One possible approach will be the use of EPCM (Engineering, Procurement and Construction Management) contracts [6]. The EPCM contractor plays more a role of a professional consultant than a contractor, managing the contractors for the employer and providing advice in design and construction.

Another clear identified need is the function of portfolio management, rather than individual PM. Companies are not concerned about managing in the best possible way one project, because this function has been delegated to the contractor. There are so many things to do that they are more focused on the forest rather than on individual trees. Therefore, it is important the selection of the right projects for “doing the right work” [7].

The creation of a PMO, and its maturing process, is also a reasonable approach [8], to be conducted in parallel with other initiatives, as well as to improve the competences of people involved in projects. To create or improve the methodologies of PM is also recommended, but first priorities have to be set, in order to define the most appropriate roadmap in each case.

And finally, as every company is facing its own situation, the best way to identify the starting point is through performing an initial assessment of the current PM capabilities and maturity [4].

4. Results and Conclusion

The considerations explained in this contribution make us first conclude that it is very important to take into account both the local culture and the special situation of the country. Secondly, the exploration of the following possible solutions for the companies in Libya, regarding the management of projects:

a) As short term solutions:

- Conduct an initial assessment of the maturity and capabilities of PM
- Implement the portfolio management function, for “doing the right work”
- The use of EPCM contracts
- Consultancy services for PM and change management
- Development of a basic methodology for PM
- Creation of a PMO

b) As medium or long term solutions:

- Mature the PMO
- Development of competencies in PM

- Continuous improvement.

5. References

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